



**ASX release
11 December 2006**

API declines to proceed with Sigma proposal

API today advised that it had declined to advance discussions with Sigma on their takeover proposal at the revised all cash price of \$2.20 per API share.

API Chairman, Peter Robinson, said that API was unlikely to reach agreement on the terms of the current Sigma proposal at a price the company had previously rejected and the priority would be to focus on its plans to restructure and reinvigorate the business in order to restore financial performance.

"The API Board has not taken the decision lightly, but after taking external advice we unanimously believe the revised all cash price of \$2.20 undervalues the company," Mr Robinson said.

"We are committed to progressing our plans to improve the business. The new management team has already implemented a number of initiatives in that regard which we believe will lift our performance back to previous levels," Mr Robinson said.

"We are still supportive of industry consolidation, however we will consider it when our shareholders can fully participate in the benefits," he said.

"The Board will continue to look at opportunities as they arise. Other discussions are being held with interested parties however there is nothing for the Board to consider at this stage and if that changes the company will keep the market informed."

Ends

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